UNITED
NATIONS

DP

Governing Council
of the
United Nations
Development Programme

Distr.
GENERAL

DP/CP/SUR/3/EXTENSION II
5 April 1993

ORIGINAL: ENGLISH

Fortieth session
1-18 June 1993, New York
Item 4 (a) of the provisional agenda

PROGRAMME PLANNING AND IMPLEMENTATION

Country, intercountry and global programmes

EXTENSION OF THE THIRD COUNTRY PROGRAMME FOR SURINAME

Note by the Administrator

Programme period	Resources	$
1993	Net IPF	248 000
	Estimated cost-sharing	513 000
	Total	761 000

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I. JUSTIFICATION

1. The third country programme for Suriname was approved by the Governing Council at its thirty-third session for the period 1987-1991. Subsequently, the Government requested an extension of this programme pending resolution of some of the implications of Governing Council decision 91/29 of 25 June 1991 on net contributor countries.

2. Suriname has been allocated an indicative planning figure (IPF) of $810,000 for the fifth cycle, based on a per capita GNP of $3,020 in 1989. This figure may be adjusted once the status of all countries affected by net contributor obligations for the fourth cycle becomes known. The adjustment would be announced in June 1993, when the Administrator informs the Council of the complete list of IPFs for the fifth cycle. It should, however, be borne in mind that if the final GNP figures for 1991, available in early 1993, indicate that the per capita GNP for Suriname was below the threshold stipulated in decision 90/34, Suriname will not be considered a net contributor country for the fifth cycle.

3. Whether Suriname is a net contributor country or not, its programme for the fifth cycle is unlikely to exceed $10 million and will therefore probably still be administered from the field office in Trinidad and Tobago, which also serves the Netherlands Antilles and Aruba. The costs of this office will continue to be divided among the countries covered by it, but Suriname will not be required to help to defray those costs if it decides not to use its fifth-cycle IPF, Suriname having been designated a net contributor country for the fifth cycle, its Government is required to reimburse fully the costs of the country programme, either from its own resources or from a combination of its own resources and resources from bilateral and other donors. Voluntary contributions and contributions to local office costs are taken into account in calculating the costs of a country programme. In this connection, it should be noted that the financial constraints now experienced by Suriname as a result of national structural adjustment and reform programmes constitute the principal reason for its Government's delay in deciding whether or not to participate in a fifth-cycle country programme.

4. The proposed extension of the current programme would provide time for further consultations between the Government and UNDP in connection with the type of services to be provided by UNDP and the most appropriate mechanisms for delivering them, the financial commitments and sources to be drawn on and the scope of the technical cooperation programme to be implemented in the fifth cycle. It is expected that the new country programme will be submitted to the Governing Council at its regular session in June 1994.

II. OBJECTIVES

5. The third country programme focused on the following four development objectives: (a) strengthened public management; (b) increased agricultural production; (c) energy conservation and development of energy alternatives; (d) industrial diversification.

6. The relevance of these objectives was affected by political developments in the country. As the result of a military intervention in 1990, the civilian government elected in 1987 was deposed. The interior of the country experienced considerable unrest during the period 1986-1990, causing many of its inhabitants to seek refuge in French Guyana. The civil disorder and military intervention exacerbated the economic situation as did the continued suspension of significant amounts of development assistance from the Netherlands.

7. Following the restoration of civilian rule in September 1991, a structural adjustment programme was formulated to address macroeconomic and foreign-exchange imbalances and was put under consideration. Although its scope has not yet been announced, it is known that the following areas may be subject to major policy interventions: public-sector reform, financial and fiscal management, employment creation and redeployment of civil servants, industrial restructuring and poverty mitigation strategies.

III. PROGRAMME DESCRIPTION

8. Three of the four objectives identified for the third country programme - strengthened public management, increased agricultural production and industrial diversification - were actually pursued, while the fourth area initially targeted - energy - was not addressed.

9. The crash of a Suriname aircraft in June 1989 drew attention to the need for compliance with internationally accepted civil aviation procedures and practices and the serious deficiencies of the country's navigational infrastructure. Significant country programme resources were therefore redeployed in order to address critical air-safety issues.

10. During the extension period technical assistance resources will continue to be directed to civil aviation as well as to employment planning and the collection of fisheries data and to small interventions in the development of agricultural cooperatives, housing, economic planning and training in meteorology.

11. Discussions will be held with the Government on the proposed orientation of the fourth country programme and will probably focus on technical assistance for the structural adjustment programme, with particular attention given to economic recovery; social adjustment strategies and natural resources and environment planning.

12. It is also recommended that under the fourth country programme for Suriname, close linkages be established with the Caribbean component of the Regional Programme for Latin America and the Caribbean, through which important dimensions of Technical Cooperation Among Development Countries (TCDC) could be generated. A significant body of experience exists in neighbouring countries, with respect in particular, to social adjustment policies in such areas as the establishment of social investment funds.

IV. RECOMMENDATION

13. The Administrator recommends that the Governing Council approve the second extension of the fourth country programme for Suriname.

V. FINANCIAL SUMMARY

ESTIMATED RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

		$	
A.	Ongoing country programme		
	Fourth-cycle IPF	2 068 000	
	Carry-over/borrowing	104 000	
	Fourth-cycle cost-sharing	181 000	
	Estimated expenditure 1992	189 000	
	Total	2 542 000	
B.	Anticipated resource needs for extension period		
	IPF	248 000	
	Programme cost-sharing	392 000	
	Project cost-sharing	121 000	
	Total	761 000	
C.	Fifth-cycle balance available after extension period		
	IPF	373 000	
	Cost-sharing	-	a/
	Total	-	a/

a/ To be confirmed.